

Obtaining a Certificate of Compliance

WHAT IS REQUIRED?

The Utah Underground Storage Tank (UST) Act requires that owners and operators of regulated petroleum USTs qualify their tanks for and receive a Certificate of Compliance, and keep the tanks in substantial compliance with all UST rules and regulations. It is a violation of the UST Act to operate these USTs without a certificate. New tanks must have a certificate before being put into operation. Fines may be assessed if product or other regulated substance is delivered to or placed into an UST that does not have a Certificate of Compliance.

HOW DO I GET A CERTIFICATE?

To qualify for and receive a Certificate of Compliance, complete the following steps:

1. Register the USTs using *Notification for Underground Storage Tanks*, EPA Form 7530-1. The tank owner and the certified installer must sign the form to certify a proper installation.

2. Submit a completed *Application for Certificate of Compliance* and declare whether you will participate in the Utah Petroleum Storage Tank Trust Fund (PST Fund) or demonstrate financial responsibility for your USTs by another allowable mechanism. You must meet all requirements for coverage under your chosen mechanism before you operate the USTs.

3. Pay the Registration Fee of \$100 per tank for USTs participating in the PST Fund, or \$200 per tank for USTs using another allowable financial responsibility mechanism.

4. Conduct a tank and line tightness test and submit a complete copy of the results (including field notes, measured leak rate, and other technical data). The tightness tests must be performed by a Utah certified UST Tester. To receive fuel for the test, you must contact the Division of Environmental Response and Remediation (DERR) at (801) 536-4100 for authorization of a one-time delivery. The DERR will need to know the date of delivery and the name of the company that will deliver the fuel.

5. Submit a completed *Previous Pollution Incidents form* to indicate whether you have had any petroleum releases at the facility. If you participate in the PST Fund, failure to report previous releases could void your coverage. Payment of clean-up costs for previous releases is your responsibility.

6. Submit a facility site plat or as-built drawing that shows the tank excavation, buildings, tanks, product lines, vent lines, cathodic protection systems, tank leak detection systems and product line leak detection systems. The site plat is required under Section R311-203-3(e) of the Utah UST rules.

If you choose to participate in the PST Fund you must:

- Check the box on the *Application for Certificate of Compliance* to indicate participation in the PST Fund and indicate the financial responsibility mechanism you will use to pay the cleanup costs not covered by the Fund.
- Pay the PST Fund fee. Pay \$50 per tank for USTs installed at new facilities. If a new UST is installed at a facility with existing USTs, pay the rate assessed to the existing USTs for the current fiscal year, either \$50 or \$150 per tank. If the new UST is a replacement for a previously-existing UST, the current year PST Fund fee paid for the original tank is applied to the new UST.

If you choose to demonstrate financial responsibility by another mechanism you must:

- Submit documentation for the mechanism you will use. The documents must conform to the format and wording specified in 40 CFR 280 subpart H. The state UST rules (R311-206-5) have additional requirements. The mechanism must be approved by the DERR before the Certificate of Compliance can be issued. The documentation should be submitted several weeks in advance of the time the tanks will go into service to allow for the approval process. If the mechanism has already been approved for other tanks, submit an updated list of tanks covered by the mechanism to show the new ones.
- Pay the process fee of \$420 for the mechanism to be used. If the mechanism has already been approved for other tanks, no process fee is due if the fee for the current year has already been paid.

For additional information on financial responsibility, please refer to *Demonstrating Financial Responsibility* on the following page.

Submit the forms and other required information to:

Division of Environmental Response and Remediation
168 North 1950 West
PO Box 144840
Salt Lake City, Utah 84114-4840

If you have questions, please contact the DERR UST Section at (801) 536-4100. Forms and additional information are available on the Utah DERR web site at www.undergroundtanks.utah.gov.

Demonstrating Financial Responsibility

WHAT IS FINANCIAL RESPONSIBILITY?

State and Federal underground storage tank (UST) regulations require that owners and operators of regulated petroleum USTs demonstrate financial responsibility to show they can pay the costs of cleanups and third-party claims for leaks from USTs.

The amount of financial responsibility you must have depends on the type of business you operate, the yearly throughput of each facility, and the number of tanks you own. The following table shows the amounts required:

WHO	THROUGHPUT OF FACILITY	PER OCCURRENCE COVERAGE REQUIRED	AGGREGATE COVERAGE REQUIRED
PETROLEUM MARKETER	ANY THROUGHPUT	\$1,000,000	\$1,000,000 IF YOU OWN 100 OR FEWER TANKS
PETROLEUM NON- MARKETER	10,000 GALLONS OR LESS MONTHLY	\$500,000	OR
PETROLEUM NON- MARKETER	MORE THAN 10,000 GALLONS MONTHLY	\$1,000,000	\$2,000,000 IF YOU OWN MORE THAN 100 TANKS

- Marketing facilities (service stations, truck stops, etc.) must have \$1 million of "per occurrence" coverage. This is the amount that must be available to pay the costs of one petroleum release. Non-marketing facilities must have the same amount of per occurrence coverage unless they have a monthly throughput of 10,000 gallons or less. In this case, the per occurrence coverage amount is \$500,000.
- UST owner/operators must also have coverage for an annual aggregate amount. This is the amount that you must have to cover all leaks that might occur in one year. The amount of aggregate coverage depends on the number of tanks you have: \$1 million if you have 100 or fewer tanks, \$2 million if you have more than 100 tanks.

HOW TO SHOW FINANCIAL RESPONSIBILITY

Owner/operators of regulated petroleum USTs in Utah may show financial responsibility by participating in the Utah Petroleum Storage Tank Trust Fund (PST Fund) or by using one of the other mechanisms allowed by the Federal UST regulations (40 CFR 280, subpart H).

Demonstrating financial responsibility is one requirement for receiving a Certificate of Compliance. If you use a mechanism other than the PST Fund, you must meet all requirements for the mechanism before you receive a certificate.

Petroleum Storage Tank Trust Fund

The PST Fund pays most of the cleanup costs of covered releases up to the limits set by the federal UST regulations. The responsible party pays the first \$10,000 (in some cases \$25,000) of eligible cleanup costs and the Fund pays the remaining eligible costs up to the limits set by the Federal regulations. Any costs over these limits must be paid by the responsible party.

UST owner/operators who participate in the Fund pay an annual Petroleum Storage Tank Fund fee based on the yearly throughput for each facility and a per-gallon surcharge on petroleum products sold in the state.

Other Financial Responsibility Mechanisms

For those who do not participate in the Fund, the Federal UST regulations allow several options for demonstrating financial responsibility. Each one is described in detail in 40 CFR 280, subpart H. The state UST rules (R311-206-5) have additional requirements. Some of the allowed mechanisms are:

Self-insurance. If your firm has a tangible net worth of at least \$10 million, you can show financial responsibility by passing one of two financial tests.

Insurance coverage. Insurance may be available from a private insurer or a risk retention group.

Guarantee. You may secure a guarantee for the coverage amount from another firm with whom you have a substantial business relationship. The provider of the guarantee must pass a financial test.

Letter of credit. A letter of credit is a contract involving you, an issuer (usually a bank), and a third party (such as the implementing agency) that obligates the issuer to help you demonstrate your financial responsibility.

Trust fund. You may set up a fully-funded trust fund administered by a third party to show financial responsibility.

If you show financial responsibility by one of the allowable alternative mechanisms, you must pay a yearly processing fee and submit documentation of your mechanism each year.

The mechanism you choose must cover costs of both corrective action and third-party liability, and must provide coverage up to the Federal limits.

Keep In Mind:

- If you use another financial responsibility mechanism, then later decide to participate in the PST Fund, you will be required to perform a tank and line tightness test and a site assessment (including soil and/or groundwater samples) before the tanks can participate in the PST Fund, as specified in the Utah UST Act, UCA 19-6-428.
- If you choose to participate in the PST Fund, all tanks located at the same facility, including above-ground tanks and unregulated USTs, may be required to participate.

If you have questions, please contact the DERR UST Section at (801) 536-4100. Forms and additional information are available on the Utah DERR web site at www.undergroundtanks.utah.gov.

**Utah UST Program
Previous Pollution Incidents**

Facility ID _____

This letter, or an equivalent, must be signed and submitted as a requirement for receiving a Certificate of Compliance.

To: Mr. Brad T Johnson
Executive Secretary (UST)
Utah Solid & Hazardous Waste Control Board

Dear Mr. Johnson:

As required by paragraph 19-6-413 of the Utah Underground Storage Tank Act, I have performed a tank and line tightness test on each tank at my facility. Based on this test, there has not been a release of petroleum. Additionally, based on "customary business inventory practices standards" I am not aware of any release of petroleum from my tanks.

Signature of owner/operator

Or, if a release is known to have occurred at this facility:

I have had the following releases of petroleum (detailed below; also indicate the actions you have taken to clean up the release):

Signature of owner/operator

Failure to report previous releases could invalidate your Certificate of Compliance.

Utah UST Program
Application for Certificate of Compliance

Facility ID# _____

UST Owner Information

UST Facility Information

Owner Name:			Facility Name:		
Address:			Address:		
City:	State:	Zip:	City:	State: UT	Zip:
Contact:		Phone:	Contact:		Phone:

DESCRIPTION OF UNDERGROUND STORAGE TANKS

Tank #						
Date Installed						
Capacity						
Substance Stored						

TANK/LINE TIGHTNESS TEST Indicate Pass or Fail for each tank and product line tested. Include copy of test.

Tank #						
Tank Test						
Line Test						

TYPE OF FACILITY

- ☐ Marketing facility, or non-marketer with facility average monthly throughput greater than 10,000 gallons.
- ☐ Non-marketer with facility average monthly throughput less than 10,000 gallons.

COMPLIANCE WITH UST REGULATIONS

- ☐ All Underground Storage Tanks (USTs) at this facility have been registered.
- ☐ All UST registration fees and Petroleum Storage Tank Fund Fees have been paid.

Are your USTs currently in compliance with all Federal, State, and Local UST regulations?

☐ Yes ☐ No If "No" describe items of non-compliance:

PREVIOUS POLLUTION INCIDENTS

- ☐ Complete the Previous Pollution Incidents form to indicate whether a pollution incident has occurred at the facility.

FINANCIAL RESPONSIBILITY MECHANISM DECLARATION (check one only)

- ☐ **I choose to participate in the Petroleum Storage Tank (PST) Trust Fund.**

- Indicate the number of above-ground and non-regulated underground tanks at the facility: _____
- Indicate the financial responsibility mechanism to be used for cleanup costs not covered by the Fund. _____

Above-ground tanks and non-regulated USTs at the facility may be required to participate in the Fund.

- ☐ **I choose another Financial Responsibility mechanism for the USTs at this facility.**

- Indicate the financial responsibility mechanism to be used: _____
- (For self-insurance or guarantee) Indicate your company's fiscal year end date: _____
- (For Insurance) Indicate the date the policy is renewed each year: _____

The Certificate of Compliance cannot be issued until all documents have been submitted and the mechanism has been approved. If the mechanism has already been approved for other tanks, submit an amended list of covered tanks.

I certify under penalty of law that the above representations made by me are true and correct.

Owner/operator Signature _____ Date Signed _____